



Federal Funding and Incentives Overview

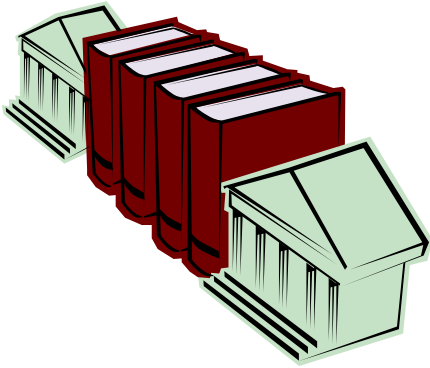
Supporting Children through the Judiciary

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PRWORA

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 required the Secretary of Health and Human Services, in consultation with Directors of State IV-D Child Support Enforcement (CSE) programs, to recommend to Congress a new incentive funding system for the States which was to be based on program performance.

Incentive Funding Work Group



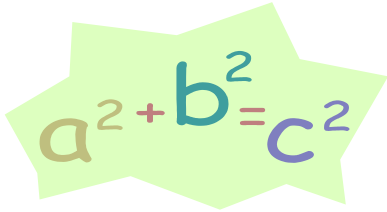
In order to consult with State IV-D directors, an Incentive Funding Work Group was formed consisting of 15 State and local IV-D directors and 11 Federal staff representatives from the U.S. Department of Health and Human Services. The Work Group held a series of meetings and worked over a period of three months to come up with the recommendations for the new incentive funding system. State representatives on the Work Group also consulted with State IV-D programs not represented directly on the Work Group.

Incentive Funding Work Group



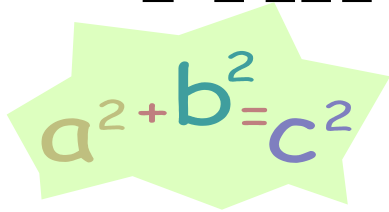
The Work Group's Report included recommendations with respect to other aspects of program funding, beyond incentives, for example, a recommendation that the level of Federal financial participation in State program expenditures remain at 66 percent.

Principles of the Incentive Formula

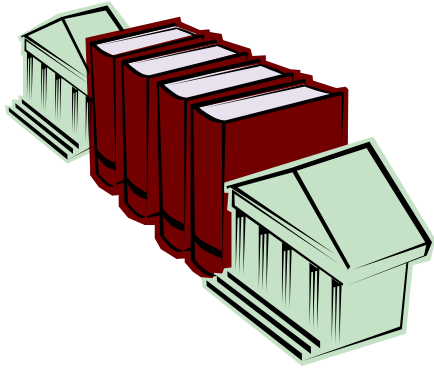


- The CSE Program will put children first by creating an incentive funding formula that...
 - Is performance-based to encourage improved outcomes
 - Helps to achieve the goals articulated in the National Strategic Plan and avoids unintended consequences
 - Continues to respond promptly to improvements in the desired area of performance
 - Recognizes maintenance of high performance as well as improvement in performance level

Principles of the Incentive Formula (Cont.)



- Requires that incentive dollars and Federal matching funds be invested in the CSE program
- Includes a mechanism that will allow the committee or Secretary to review and change the formula in the future, if necessary, based on an evaluation of the results
- Treats all children equitably
- Is simple



CSPIA

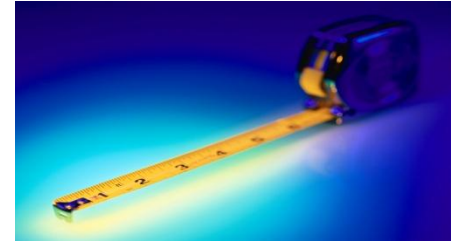
- The Child Support Performance and Incentive Act of 1998 (CSPIA) established a new incentive payment system to encourage better program performance.
- Adds to Title IV-D a new section 458A (Incentive Payments to States)

Performance Measures



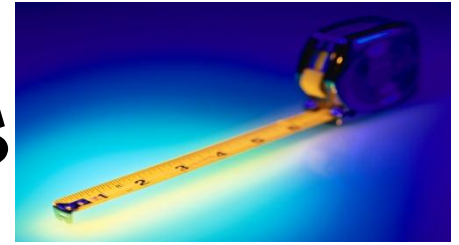
- Paternity Establishment
- Establishment of Support Orders
- Collections of Current Support
- Collections of Arrearages
- Cost Effectiveness
(Medical Support - Pending)

Performance Measures



- The incentive system should provide additional monetary payments to States based upon State performance for each of the five measures. The amount of incentive for a particular measure is based upon established standards of performance.

Performance Measures



- The formula sets aside a fixed amount of money each year for federal incentive payments. Therefore, as one state substantially improves performance, the other states share of the fixed amount declines.
- The entire calculation is contained in 45 CFR 305.2-305.35.

Performance Measures



- All States that achieve performance above a specified minimum in each of the five measures are entitled to some portion of a maximum possible incentive award.
- While States have discretion on how to utilize the incentive funding, States are required to spend incentive payments to carry out their CSE programs or closely related activities.

Reinvestment of Child Support Incentive Payments



- OCSE-AT-01-04 – Section 458(f) of the Social Security Act
 - “A State to which a payment is made under this section shall expend the full amount of the payment to supplement, and not supplant, other funds used by the State -- (1) to carry out the State plan under this part; or (2) for any activity (including cost-effective contracts with local agencies) approved by the Secretary, whether or not the expenditures for the activity are eligible for reimbursement under this part which may contribute to improving the effectiveness or efficiency of the State program operated under the part.”



Reinvestment of Child Support Incentive Payments (Cont.)

- OCSE-AT-01-04 – Section 458(f) of the Social Security Act (Cont.)
 - In those States in which incentive payments are passed through to political subdivisions or localities, such payments must be used to must be used to improve the State's CSE program.
 - State IV-D expenditures may not be reduced as a result of the receipt and reinvestment of incentive payments.
 - A base amount will be determined by subtracting the amount of incentives received and reinvested in the State IV-D program.



Reinvestment of Child Support Incentive Payments (Cont.)

- Requests for approval to expend incentive payments on activities not currently eligible for funding under the IV-D program, but which would benefit the IV-D program, must be submitted to HHS in accordance with instructions issued by the Commissioner of the Office of Child Support Enforcement (OCSE).

Reinvestment of Child Support



Incentive Payments (Cont.)

- Procedures
 - Forward a letter requesting to use incentive payments for activities not eligible for reimbursement under Title IV-D of the Act to the Commissioner of Child Support Enforcement

Reinvestment of Child Support



Incentive Payments (Cont.)

- Procedures (Cont.)
 - The letter must:
 - Give specific, detailed information on the activity the incentive payment will fund,
 - State what portion of the payment will be spent on this activity
 - Explain how this activity will improve the effectiveness or efficiency of the State's CSE program,
 - Show a clear connection to and collaboration with the State CSE program,



Reinvestment of Child Support Incentive Payments (Cont.)

- Give the time period for this activity, and
 - Provide the name and telephone number of a contact person who can provide additional information on the request, if needed.
- The State's letter will be evaluated and the State will receive notice from OCSE stating whether or not the request has been approved.

Reinvestment of Child Support



Incentive Payments (Cont.)

- When to Apply to Use Incentive Funds for Other Activities.
 - States may apply to OCSE to use incentive funds for other activities at any time *before* the funds are actually used for the activity. With approval, States may use some or all of the incentive money for these activities.

Reinvestment of Child Support Incentive Payments (Cont.)

- When to Apply to Use Incentive Funds for Other Activities (Cont.)
 - If the State intends to use incentives to fund the approved activity for more than one year, the State must submit an annual request for approval, including the amount to be expended in the upcoming year and the amount expended on this activity in the preceding year.

Reinvestment of Child Support Incentive Payments (Cont.)

- Examples of activities on which incentive funds may be used.
 - Fatherhood programs,
 - Education and job programs for non-custodial parents,
 - Programs targeting incarcerated or putative fathers,
 - Teen pregnancy programs

Reinvestment of Child Support Incentive Payments (Cont.)

- Examples of activities on which incentive funds may be used (Cont.)
 - Parenting Programs
 - Mediation or couples counseling, and
 - Visitation issue resolution when linked to nonpayment of support.



Reinvestment of Child Support Incentive Projects

- Fathering Without Violence Program
 - Worcester County Maryland Health Court
 - 20 Week intervention parenting program targeting non-custodial fathers with child support arrearages
 - Incarcerated Fathers, and
 - Other fathers at-risk of non-compliance
 - Aimed at increasing their ability and willingness to make child support payments on a regular and consistent basis
 - Reduce or prevent the level of legal intervention or repercussions necessary by the courts.



Reinvestment of Child Support Incentive Projects (Cont.)

- Responsible Mothers Program
 - Kent County Circuit Court
 - Service provides guidance on accessing financial services, job-training programs and other social resources to noncustodial mothers in child support cases
 - May be chronically unemployed and/or not gainfully employed
 - May have interpersonal obstacles including but not limited to homelessness, substance abuse or other addictions, mental health issues or a disabling medical or psychological condition.



Reinvestment of Child Support Incentive Projects (Cont.)

- Noncustodial Parents Program
 - Cecil County Circuit Court, Family Support Services
 - Assist delinquent Noncustodial parents in focusing on the financial well-being of their children with consistent payments
 - Will address substance abuse, poor education, lack of trade skills, mental health and the revolving door of incarceration



Reinvestment of Child Support Incentive Projects (Cont.)

- Parent Reunification Services Program
 - Harford County Maryland Circuit Court
 - Serve ten families inclusive of Custodial Parent (CP), Noncustodial Parent (NCP), and Child (CH)
 - Assessment regarding children's readiness for contact with the NCP
 - Psycho education for the NCP and CP; and
 - Observations of the CH and NCP; CH and CP; NCP and CP; and
 - Therapeutic interventions during observed interactions between the CH and NCP; CP and CH



Additional Funding Source

- **Section 1115 Demonstration Grants**

Only state title IV-D agencies or the state umbrella agencies of which they are a part can receive these grants. The agencies can contract with other agencies, faith- and community-based organizations, universities, or private consultants to join in these efforts. States must apply for these funds in response to a grant announcement of the availability of funding under priorities which may differ each year.



Additional Funding Source

- **Special Improvement Project Grants (SIP)**

The purposes of the Special Improvement Project (SIP) grant program are to provide funding for projects that further the national child support mission and goals and to help improve program performance. No applicant match is required. Eligible applicants include state and local public agencies, non-profit agencies (including faith-based organizations), and tribal organizations.

Resources

- Final Rule on Incentives, Penalties and Audit
<http://www.acf.hhs.gov/programs/cse/pol/AT/2001/at-01-01a.txt>
- Reinvestment of Child Support Incentive Payments
<http://www.acf.hhs.gov/programs/cse/pol/AT/2001/at-01-04.htm>
- Grants
<http://www.acf.hhs.gov/programs/cse/grants/>



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